



Dissenting Report—Rowan Ramsey MP, Karen Andrews MP, Alan Tudge MP

The Coalition Members of the House of Representatives Standing Committee on Education and Employment recognise that many workers are not highly paid despite their skills and dedication.

However the Coalition Members are concerned that this bill rewards a selective minority and is a shallow attempt by the government to reward their union supporters.

Like many other bill inquiries in the dying days of the 43rd Parliament, the Coalition Members are concerned the committee has not had an appropriate period of time to examine the bill and finds this lack of process totally unacceptable.

The last minute rush of legislation is very surprising considering the Prime Minister nominated September 14th as the day of the next election in January. The government has known all year when the election would be held but apparently, has been unable to manage its legislative program to avoid the ill-considered and dangerous rush in the final few weeks of this Parliament.

The bill delivers extra funding for some long day care services, but provides too little resource to treat all centres equally, so instead will select winners and losers. It is being misused by the United Voice union to recruit members and it is difficult not to believe that this outcome was not the government's intended consequence.

The inquiry received ninety nine submissions with the overwhelming majority expressing grave concerns with the unfairness of the funding, the bullying actions of the union and the lack of on-going funding which will eventually lead to higher costs for parents.

Inequity

The issue most raised in the submissions was that of inequity. With the \$300M predicted to cover only 27-40% of the workers in the sector, the commonly held view was that all child care centres should be treated equally. Serious concerns were also raised with the duration of the funding and the point made was that it was only for two years, centres would have no choice at the time of cessation but to pass on the increased costs to the parents. Others were concerned that the new wage platform would be used to wring equal wages and conditions out of centres who were not awarded the subsidy.

Childcare Queensland said in their submission:

“The 27% - 40% of services that are successful in gaining the grant will only receive the funding for a period of two years as there is no provision for this grant funding to be continued past 30/06/2015. It will be extremely difficult for these services to reduce the wages at this time so they will all be forced to increase their fees by \$10+ per child per day”.

And from Kinda Kapers, Mount Hutton NSW:

“This will create a two tiered wage system with centres who are not successful in attracting the grant money either dramatically increasing fees to enable them to match the wage increase or being unable to attract the very few trained staff who available for employment. Regional and rural centres will be most negatively affected as they are the centres currently most negatively impacted by the industry skill shortage”.

United Voice Union

A large number of submissions raised the issue of inappropriate union actions within United Voice’s “Big Steps” campaign. It was commonly reported the union was claiming centres could not qualify for funding unless they had a 60% unionised workforce.

During the hearing with the department the committee was informed the department had informed centres this was not the case, but it was unclear how well that information was disseminated.

The committee received evidence (supressed) that at least one childcare operator had their name and house identified electronically by a union official, and was personally vilified as an individual who could have no understanding of the workers position.

The Coalition Members are concerned that the Early Years Fund Special Account

is a gift from the Federal Government to a union that is a significant financial contributor to the Australian Labor Party.

The Australian Childcare Alliance said in their submission:

“During the past two years there has been considerable union activity at the services Australia wide increasing substantially since the announcement of the EYQF grant by the Prime Minister. Many of our members have reported that this union activity has been intimidating to both themselves and their staff. Our members around Australia have been advising us of the strong arm tactics of the United Voice Union organisers who have been telling members that they must have 60 per cent plus membership to engage with them to submit the Enterprise Agreement”.

Wage Claims

There is a fair argument to be made that with the introduction of the National Quality Framework the role of childcare educators has changed, and has become more professionalised. However, whilst we acknowledge these educators must be paid fairly for the work they undertake, there is a proper process for making these claims. Instead of a short term fix, that benefits well under half of the workforce, there needs to be a wage claim made through the Fair Work Commission, a quasi-judiciary body properly resourced and set up for this purpose. This would see any decided wage increases applied fairly, industry wide, and they would not be subject to the limited timeframe of the Early Years Quality Fund

Conclusion

It is clear the government’s proposals have created a great amount of division and anger in the sector. People are confused and suspicious of who and where the extra funding is likely to go and who will make the decisions on the successful applicants and on what basis. The Coalition Members are concerned that this bill instead addressing the sector as a whole is simply a mechanism to increase union membership.

This was well summed up by the Australian Childcare Alliance:

“This announcement has already caused outrage and division amongst educators in the early education and care sector. Educators are understandably angry as their colleagues in the long day care centre across the road may receive the grant whilst they receive nothing.

The Grant funding is unfair, inequitable and discriminatory. It has proven to be a huge boost to the United Voice Union as they openly state that their membership has grown from 10 per cent to 28 per cent in the two months since the announcement of the Fund”.

Recommendation 1

That wage claims be made through the Fair Work Commission.

Recommendation 2

That due to the time frames, equity and wage claim matters raised in this report, the bill in its current form not be passed at this time.

Rowan Ramsey MP (Deputy Chair)

Karen Andrews MP

Alan Tudge MP