

# Submission

To

Senate Committee Inquiry

## Early Years Quality Fund Special Account Bill 2013: A Bill for an Act to establish the Early Years Quality Fund Special Account, and for related purposes

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# INTRODUCTION

The Australian Municipal, Administrative, Clerical and Services Union (ASU) welcomes the government commitment of funds that will support quality outcomes for children by assisting the early childhood services to attract and retain qualified hardworking professionals in the sector and reduce the numbers of educators leaving the sector overall.

The ASU is one of Australia's largest Unions, representing approximately 120,000 employees. Through our national industry model, supported by state branches, the ASU has members in every State and Territory of Australia, as well as in most regional centres, towns and cities.

The ASU has been a participant in the Local Government and Community Services industries for over 100 years, by speaking up for employees of all urban, regional and rural councils, including shires, cities and county councils.

Through ASU operations in the local government industry, including early child care educators in that sector, the ASU believes local government should play a role. Child carers' skills and responsibilities have historically been undervalued. It has been our role to improve the employment conditions and career paths of child carers and afford them the recognition they deserve.

The ASU have always advocated five ways to better child care:

1. Education starts in child care. Child care is more than child minding. It is an opportunity to assist in the nurturing and growth of the next generation of Australians. It can also set children on a path of good health, nutrition, and lifelong learning. It is an essential service that needs proper investment and regulation to align the needs of children with the skills of carers.
2. Quality before profit. Clear quality benchmarks were needed. Profit can be an added bonus but should have never been the primary focus of a provider.
3. Proper planning and regulation. A co-ordinated plan has been established by the current federal government. Continuing the focus and building on the planning to date must keep up with population changes and make allowed for the right resources to be in the right communities at the right time. The Department of Education, Employment and Workplace Relations (DEEWR) can monitor and allocate the right resources in demographic cycles. It is often not about spending more but putting the right resources in the right place at the right time.
4. Links to other children's services. For example, maternal child health and primary school. Local government can integrate existing child care services such as maternal health, immunisation along with toy and book libraries. It can work with primary schools to create a high quality first step in children's education. Local government is connected to local communities who will have some ownership in making decisions about their children's future.
5. Local government is the 'right' place for child care. Local government is the best long term solution for the future of child care in Australia.

The ASU and its Branches have submitted numerous on the above strategic approach to better child care planning and regulation. Papers include:

Greg McLean  
(ASU)  
18 April 2011,  
*Submission to Department of Education, Employment and Workplace Relations National Quality Framework Regulations Exposure Draft (Child Care Industry)*  
Sydney  
([http://www.asu.asn.au/documents/doc\\_download/242-national-quality-framework-regulations-exposure-draft-child-care-industry](http://www.asu.asn.au/documents/doc_download/242-national-quality-framework-regulations-exposure-draft-child-care-industry))

Greg McLean,  
(ASU),  
2 September 2011  
*Submission to Productivity Commission Draft Research Report into the Early Childhood Development Workforce,*  
Sydney  
([http://www.asu.asn.au/documents/doc\\_download/241-draft-research-report-into-the-early-childhood-development-workforce](http://www.asu.asn.au/documents/doc_download/241-draft-research-report-into-the-early-childhood-development-workforce))

Greg McLean,  
(ASU),  
Jan 2009  
*Submission to Senate - Inquiry into the provision of child care,*  
Sydney  
([http://www.asu.asn.au/documents/doc\\_download/240-submission-to-senate-inquiry-into-the-provision-of-child-care](http://www.asu.asn.au/documents/doc_download/240-submission-to-senate-inquiry-into-the-provision-of-child-care)).

# SUBMISSION FOR THE SENATE INQUIRY FOR EARLY YEARS QUALITY FUND ACCOUNT BILL 2013

## Commitment to early childhood

The ASU agrees with the attention, care and commitment to reform commenced by of the current government and demonstrated by the new funding approach. In supporting ongoing improvement to quality, affordability, accessibility of child care industry and incentive to study and skilling of early childhood educators, the Fund is a welcome boost and begins to match the goals of ASU members in the industry.

The ASU draws attention to the policy of the current government and the Australian Labor Party National Platform; which states the following, in respect of local government services to the community and early childhood services:

### A strong economy for all Australians – Labor Values

8 Labor believes in a strong economy that delivers for all people. Economic growth must be shared, particularly at times of increasing cost of living due to global instability Labor's commitment to social justice drives our economic policies. Labor believes in providing opportunities for all Australians to contribute to and benefit from economic growth and wealth creation, through a fair tax system, quality public services, equal access to educational opportunities, and a decent social safety net. We are committed to:

...improving financial incentives for workforce participation through taxation and welfare reforms, alongside training and industry policies and increasing the affordability and supply of quality childcare... (pg. 20, 2011, *National Platform*, Australian Labor Party (ALP), accessed 7 June 2013, <[www.alp.org.au/national\\_platform](http://www.alp.org.au/national_platform)>)

### Building Australia's future – Local government

68 Labor recognises that local government is the level of government closest to the community.

69 The role of local government has evolved beyond the traditional municipal and road services to delivering:

- social services such as childcare, aged care, affordable housing and health services
- environmental services such as coastal management, improved waste management, energy efficiency, and improved catchment and water resources management
- community infrastructure such as sports grounds, swimming pools, community centres and tourism facilities
- regional planning and economic development strategies. (pg. 50, ALP 2011)

### Opportunity and fairness for working families – Labor priorities

21 Despite strong economic growth, not all groups and regions are sharing equally in rising prosperity. Jobless families, single parents, disengaged young people and people with disability can all benefit from the opportunities provided by a strong economy. Labor is assisting more Australians to participate through a combination of incentives, supports and responsibilities. Labor has introduced measures to get more Australians into the workforce or to undertake activities that will improve their future employment prospects. Labor is improving incentives to work by:

- rewarding work through fairer income tests and employer incentives
- providing new opportunities to encourage more people into work through training, education, childcare and employment services
- introducing new requirements for teenage parents, long-term unemployed people and Disability Support Pension recipients
- introducing new approaches to address entrenched disadvantage in targeted locations.

34 Labor believes that childcare and parental leave are important means of removing barriers to entry to work and of boosting productivity for working people of child

bearing age. Labor will seek to ensure that parents have access to affordable and quality childcare, and in doing so will consider what taxation, superannuation, work and industry arrangements are optimal for that purpose. (pg. 50, ALP 2011)

#### A fair go for all Australians – Labor Priorities

25 Labor’s framework for building a stronger, fairer Australia is built on five pillars:

...4. strong families and communities — supporting families to give their children the best opportunities in life and building strong and cohesive communities especially in areas experiencing entrenched and multiple disadvantage. Our priorities include:

- supporting families to give their children the best opportunities in life through paid parental leave, better quality childcare and family support programs...

105 Labor believes we need to build a much stronger partnership between men and women to achieve

our goals. Labor will do this through:...

- improving the accessibility of affordable quality childcare and before and after school care... (pgs. 153 & 165-166, ALP 2011)

The ASU strongly supports improvements to federal funding for the child care industry to facilitate continued quality outcomes for children. As a principle, remuneration and employee benefits should recognise the merit of qualification, expertise from experience and development achieved from investment in training of our child care educators. The Fund will provide scope for movement in rates of pay in Local Government; whose members strive in their collective bargaining activities to obtain above the inadequate safety-net of Modern Award rates of pay.

Table 1<sup>1</sup>

<i>Instruments</i>	<i>Modern Award/Agreement/State Award</i>	<i>Certificate III Entry level Wage rate</i>
Private Sector Modern Award	<i>Children’s Services Award 2010</i>	Level 3 \$706.10
Public Sector Modern Award	<i>Local Government Industry Award 2010</i>	Level 3 \$628.00
Victorian EBA	<i>Moonee Valley City Council “Doing Business Better” Enterprise Agreement 2010 – 2013</i>	Band 3 \$880.92
Victorian EBA	<i>Hume City Council Enterprise Agreement (No.5) 2010—2013</i>	Band 3, Level A \$862.08
NSW State	<i>NSW Local Government (State) Award 2010</i>	Band 1, Level 3 \$759.50
NSW Enterprise Agreement	<i>Blacktown City Council Enterprise Agreement 2011</i>	Band 1, Level 3 \$795.72

The ASU is pleased that the current purpose of funding will be conditional on services agreeing to use the monies exclusively for the improvement of remuneration of employees and other employment related costs and expenses, in relation to early childhood education and care. The ASU recognises that; also, some flexibility of the nature of employee expenses was given due consideration and notes the following areas of employee benefit have been tabled as a guide:

- Superannuation contributions
- Leave entitlements

<sup>1</sup>Comparison of Private to Public Childcare rates of pay – 2013.

- Payroll tax
- Workers compensation
- Professional development activities.

Additionally, and because centres can access monies of the Fund for providing professional development activities to employees, employee development in the early childhood education and care sector will improve to deliver Quality outcomes of the National Quality Framework.

## **Early Years Quality Fund**

We have met with the Office of the Minister for Early Childhood and Youth, the Hon Peter Garrett AM, MP. Our concerns expressed to the Minister's Office have been that there is to be no disadvantage to our members employed in the provision of early childhood services in Local Government.

We note that in some states, New South Wales in particular, employment agreements heavily rely upon the relevant local government industry award. For example, *NSW Local Government (State) Award 2010*, negotiated with peak Local Government entity employers and the United Services Union. We have made representation that the State Award be acceptable as a positive test for an agreement to utilise grant funds exclusively for wage increases, or other approved purposes (i.e. afore mentioned on-costs, professional development, etc.).

In making a recommendation, we refer; also, to the intent of the Australian Government, that local government should not miss out on any federal government funding due to its status as 'body political', not 'body corporate'<sup>2</sup>.

To support our recommendation, we acknowledge that the federal government has moved to provide additional targeted funding because they are needed. The Fund will assist in retention and recognition of staff, covered by arrangements that employers and unions have negotiated.

For states that cover the area of local government services federally by Fair Work Australia, the ASU negotiates council wide enterprise agreements that include all council employees including early childhood educators and carers. Therefore, ASU Enterprise Bargaining Agreements (EBAs) cover all employees of councils.

ASU negotiated arrangements include enterprise agreements, enterprise awards, as well as specific industry awards with local government entities that have 'body political' status (as previously mentioned; in NSW, council employees are covered by a specific industry award: the collective bargaining instrument for all NSW local government employees is the *NSW Local Government (State) Award 2010*).

Finally, council run services have the added value of operating with good governance in mind with council-wide policies on accountability, transparency, health and safety, anti-bullying and financial management. Council services benefit from federal government contributions to infrastructure made directly or indirectly for early childhood service provision. The infrastructure; therefore, remains in public hands regardless of business outcomes, closures or private business operation. Most importantly, monies spent in local government services, including for staff retention

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<sup>2</sup>See attached letter 21 December 2012, from federal Minister for Local Government.

and recognition, form an important service to Australian communities that require 'quality public services' for long term benefits.

### **Recommendation**

The ASU believes that the issue of 'body political' entities needs to be recognised in the guidelines of the Act that will govern application of the federal government program of Credits to the Early Years Quality Fund Special Account; namely:

1. 1 July 2013            \$135,000,000
2. 1 July 2014            \$165,000,000

Formal recognition of all service providers in the guidelines of the Act is an important first step in recognition of the additional skills, training and responsibility of child care educators and others working in the early childhood industry. The step should be supported so that government can move towards just and inclusive recognition of all early childhood educators.

## **CLOSING STATEMENT**

The best solution for child care centres is for them to be owned and run by local councils. That means everyone wins with better quality services and secure jobs as well as local integration with families and other vital local government services. Better local services means better care for kids. Better local services means children receive a higher standard of care. It means access to an integrated service including maternal health and immunisation. Better local services means better rewards for hard working staff. It means broader career opportunities as well as higher levels of training and skills development. Better local services means reducing the historical risks to government, that necessitate bailout of failed businesses.

The ASU generally agrees that the Early Years Quality Fund is essential to ongoing investment into early childhood education and care. Provision for funding to be used to improve remuneration outcomes of qualified educators; other employment-related costs and expenses of direct economic and benefit to employees of early childhood services will support development, professionalism and retention of qualified workers in the sector.

The ASU looks forward to ongoing consultation and would wish to be kept involved in all discussions so that it may contribute to this debate.

The ASU seeks to participate in an ongoing way to policy and labour related matters. Any opportunities to participate in processes around these discussions in the past are regrettable; however, should you wish us to appear before the Committee we would be happy to do so.

Yours faithfully

Greg McLean  
ASU Assistant National Secretary.



**THE HON SIMON CREAN MP**

**Minister for Regional Australia, Regional Development and Local Government  
Minister for the Arts**

Reference: C12/773

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21 DEC 2012

Dear Mr McLean 

I am writing to bring you up to date following your letter of 27 April 2012 relating to the issue of Local Government "body politic versus body corporate" and the ability for New South Wales local governments to access to Federal Government funding under state legislation. I understand that you have had a number of discussions with my office and the offices of the Hon Warren Snowdon MP, Minister for Indigenous Health, and the Attorney-General, the Hon Nicola Roxon MP, regarding this issue.

It is essential that all states and territories receive fair and equitable access to Australian Government funding. Following your initial discussions with my office, my Department worked across government to highlight the possible issues relating to "body corporate versus body politic" when developing future program guidelines and to note in particular the potential impact on New South Wales.

I have also formally written to my Cabinet colleagues bringing this matter to their attention so that they are aware of the possible unintended consequences of excluding entities that are body politic of the state or territory.

It is anticipated that, following the exhaustive consultation process, this issue will be closely monitored across portfolios in the future.

Thank you for raising this matter with me.

Yours sincerely

**SIMON CREAN**