

IEUA  
Independent Education union of Australia

**Senate Standing Committee on  
Education and Employment Inquiry  
into the Delivery of Quality and  
Affordable Early Childhood Education  
and Care Services**

March 2014



## Introduction

1. The Independent Education Union of Australia (IEUA) is pleased to have the opportunity to make a submission to the Senate Standing Committee Inquiry.
2. The IEUA is the federally registered union that represents workers, including teachers, principals, and school support staff, in Catholic and non-government education across all the states and territories of Australia. While the majority of members of the IEUA are teachers, the membership of the IEUA also consists of workers engaged as teacher aides, administrative staff, gardeners, cleaners and caterers.
3. Membership of the IEUA is also diverse in respect to the types of workplaces included in its coverage. These range from very large schools with significant resources to extremely small rural schools with very limited resources, community based early childhood education centres and large metropolitan preschool settings. The variety of education settings represents great diversity. The union currently has a membership of over 75,000.

## Delivery of Quality and Affordable Early Childhood Education and Care

4. Investment in high quality early childhood education and care yields substantial educational, social and economic benefits<sup>1,2</sup>. IEUA therefore supports the right of all parents to access affordable, high quality education and care services and the right of early childhood educators to work within supportive, professional environments.
5. Quality and affordability of education and care are influenced by numerous factors. In this submission, the Terms of Reference for the inquiry (as recorded on the website

[http://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Educat](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Educat)

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<sup>1</sup> OECD (2012) Education and Training Policy: Investing in High-Quality Early Childhood Education and Care (ECEC). [www.oecd.org/edu/school/48980282.pdf](http://www.oecd.org/edu/school/48980282.pdf)

<sup>2</sup> OECD (2013) Education Indicators in Focus: How do Early Childhood Education and Care (ECEC) Policies, Systems and Quality vary across OECD Countries? February 2013. [www.oecd.org/edu/EDIF11.pdf](http://www.oecd.org/edu/EDIF11.pdf)

[ion and Employment/Affordable early childhood/Terms of Reference](#)) are used as a framework for discussion of issues.

### **Outcomes for Children in Early Childhood Education and Care Services**

6. Early childhood experiences play a vital role in growth and development and, for many parents, ongoing participation in the workforce requires them to access education/care services<sup>2</sup>. It is, therefore, important to establish quality early childhood education and care programmes that support children, and their parents, to achieve their full potential.
7. IEUA recognises that there are numerous factors that influence the quality and affordability of education and care provided by a particular service. These are considered individually, below.

### **Workforce Factors**

8. One of the most pressing issues in the early childhood sector is a shortage of qualified staff. This is a direct reflection of the fact that early childhood education is, at present, a low status occupation. Addressing the shortage of staff requires recognition that issues of standing and status are directly related to pay and conditions.
9. The extent of worker dissatisfaction in the early childhood sector is evident in the fact that over 17% of employees leave within any given year<sup>3</sup>. This is problematic because high rates of staff turnover exacerbate staff shortages, disrupt continuity of care, negate investment in professional development, lower service quality and have a negative impact on child outcomes<sup>4</sup>.
10. In relation to wages, 72% of the early childhood workforce is currently employed on a casual or part-time basis and over 70% of childcare workers receive wages set by awards, with only 27% working under collective agreements<sup>3</sup>. In comparison, 93% of primary teachers have their wages set under collective agreements<sup>3</sup>. The predominance of awards in the early childhood sector may be explained by several factors. For example, small,

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<sup>3</sup> Productivity Commission (2011) Productivity Commission Research Report: Early Childhood Development Workforce. Productivity Commission: Melbourne.

<sup>4</sup> OECD (2013) Education Indicators in Focus: How do Early Childhood Education and Care (ECEC) Policies, Systems and Quality vary across OECD Countries? February 2013. [www.oecd.org/edu/EDIF11.pdf](http://www.oecd.org/edu/EDIF11.pdf)

- community-run organisations are likely to lack expertise and experience in negotiating bargaining arrangements or performance-based agreements.
11. Despite these difficulties, early childhood teachers working in kindergarten settings have been able to achieve rates of pay that are comparable to those in schools in some states. In others however, early childhood teachers working in childcare settings are paid substantially less.
  12. To ensure that teachers working in childcare settings receive comparable wages, increased income needs to be provided. For community-based organisations however, income is derived primarily from Government funding and parental fees. Any attempt to raise additional funds by increasing the fees paid by parents is contrary to the fundamental objective of universal access to affordable early childhood services.
  13. There is then, a strong case for greater government support. At less than 0.1% of GDP, Australia's current rate of government spending on early childhood education is one of the lowest of all OECD countries<sup>3</sup>. Similarly, our rate of private funding (48%) is one of the highest of all OECD countries<sup>3</sup>.
  14. Further, in Queensland, the ability of kindergartens to pay salaries that are comparable to those offered in schools is threatened by the fact that, under the newly introduced Queensland Kindergarten Funding Scheme, there is a ~\$400 funding deficit per child in centres that do not qualify for remote area or low socioeconomic subsidies<sup>5</sup>. Although supplementary funding was initially provided to these centres, in the form of a 'legacy' funding agreement, this funding was frozen from early 2014. In direct communication with the Queensland Minister for Education, IEUA QNT Branch was informed that continuation of this funding would be at the discretion of the Commonwealth. Unless kindergartens are able to continue to offer comparable wages their attraction and retention abilities will decline, with a significant negative impact on the quality of early childhood education.
  15. These issues could be resolved by funding services at a base funding rate calculated on a fixed percentage of staffing costs, based on staffing models required under the Education and Care Services National Regulations, with staffing costs calculated based on wage rates comparable to employees in other education settings. A precedent exists in Victoria, where there is an

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<sup>5</sup> Source: IEU submission to Productivity Commission Review

agreement between government, service providers and the union to ensure that salaries and conditions are similar to those of teachers in schools.

### **Quality Regulation**

16. Poor quality early childhood education and care has been shown to have lasting detrimental effects on children's development<sup>6</sup>. It is, therefore, imperative that governments put in place policies and practices that support quality early childhood programmes.
17. IEUA supports moves to increase formal qualifications held by early childhood workers as this is integral to enhanced professionalism. It is however, important to note that, while staff qualifications are one of the strongest predictors of quality education and care programmes, the level of qualification itself is not as important as the amount of specialised and practical training, participation in PD and years of experience<sup>6</sup>. Moreover, the movement toward higher qualification requirements is tokenistic unless there is a concurrent commitment to broader recognition of worker professionalism.
18. OECD research has shown that key quality indicators in early childhood education and care are child-staff ratios, duration of programmes and public spending per child<sup>6</sup>. Although the National Quality Framework incorporates measures to address each of these factors<sup>7</sup>, one issue that has yet to be considered is the fact that current models of regulation reflect a long-standing separation of education and care programmes.
19. At present, the Commonwealth is responsible for child care, while states and territories are responsible for early education. It would greatly simplify quality regulation if the Commonwealth were responsible for all education and care.

### **Participation and Access to Services**

20. IEUA supports policies and practices that allow equity of access to adequate, flexible early childhood education and care.

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<sup>6</sup> OECD (2013) Education Indicators in Focus: How do Early Childhood Education and Care (ECEC) Policies, Systems and Quality vary across OECD Countries? February 2013. [www.oecd.org/edu/EDIF11.pdf](http://www.oecd.org/edu/EDIF11.pdf)

<sup>7</sup> Council of Australian Governments (2009) National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care. Council of Australian Governments: Canberra.

21. A key issue in relation to this is the fact that processes used to determine the location of education and care services are often ineffective and inefficient. To ensure that services are available in communities where they are most needed, it is imperative that governments use up-to-date demographic data to determine where new services will be established. This is not always the procedure followed. In Queensland for example, the process for selecting new kindergartens to be built in 2010- 2011 was based upon outdated demographic data from a 2006 Australian Bureau of Statistics survey.
22. IEUA also has concerns in relation to provisions for disadvantaged and disabled students. At this stage, additional support for children who are diagnosed with disorders such as ADHD and autism is obtained on an individual basis. Educational institutions must ensure that the child's condition has been formally diagnosed before putting in a single, unique application for additional funding. This is problematic, particularly when parents do not consent to have their child's condition formally assessed by medical professionals and, even where parents do agree, the formulation of a diagnosis may take some time. While waiting for a diagnosis to be recorded, services are critically under resourced.
23. A similar problem is faced by kindergarten services operating in rural areas. As many children who access these services live some distance from the nearest available/appropriate service, some centres run special bus services for students. These services are not however, eligible for financial support. This is a problem with particular relevance to Aboriginal and Torres Strait Islander children, who often live in rural and remote locations.
24. A further issue arises from the National Quality Framework requirement for all Australian four year olds to access fifteen hours per week of early childhood education, provided by a four year qualified early childhood educator, for forty weeks of each year. In reality, this target is unlikely to be met without greater integration of education and care programmes because, where the two operate in isolation, working parents are effectively forced to choose between education and care. This problem is particularly acute for parents from lower socioeconomic backgrounds: Where families can survive on a single income, it is relatively easy for at least one parent to work around the shorter operating hours of most kindergarten services, but where families

are dependent on a dual income, they have no option but to place their children in long day care facilities, even where these offer no formal education programme.

### **Environments for Learning**

25. A primary requirement for quality learning environments is quality early childhood professionals. To ensure that degree-qualified early childhood teachers are employed by all kindergarten services, government must act to ensure that training programmes are adequately meeting demand and ensure that early childhood services are adequately resourced.
26. We note, with some disappointment, that the Terms of Reference for several recent inquiries focus solely on the childcare sector. It appears that the government is effectively ignoring the highly integrated nature of the early childhood education and care, which is only likely to become more pronounced with the implementation of the National Quality Framework.
27. As noted above, the requirement for all Australian four year olds to access fifteen hours per week of early childhood education, provided by a four-year university qualified early childhood teacher, for forty weeks of each year, is particularly problematic, for several reasons. Not only is there a shortage of qualified early childhood teachers who are willing to work in childcare settings, there is a general scarcity of integrated education and care programmes, which effectively forces working parents to choose between education and care.
28. In Queensland, experience shows that, when choosing between education and care programmes for their children, families with higher socioeconomic status preferentially select education programmes. During the period prior to 2007 for example, when community kindergartens were the only available early childhood education option, parents from higher socioeconomic demographics preferentially chose to send their children to these services. Those from lower socioeconomic circumstances however, were unable to work around the shorter operating hours of kindergarten services and most chose to send their children to long day care services, even where these offered no formal education programme.

## **Implementation of the National Quality Framework**

29. IEUA recognises that the National Quality Framework is an important initiative in ensuring that all parents have access to affordable, high quality early childhood education and care.
30. One of the most important aspects of the NQF is the aim of increasing the number of degree qualified early childhood teachers, and raising the level of qualifications for other childcare workers. Achieving this goal requires a commitment to act against factors that deter new workers from entering the profession and drive those who are already working within the sector to seek alternative employment. Recruiting and retaining qualified staff is also vital to ensure greater integration of education and care programmes, which is likely to become increasingly important as the NQF is implemented.
31. The primary impact of new staffing requirements is financial. Community based children's services outlay around 80% of their income on wages, meaning any small increase in wages has a substantial impact on budgets. Further, because most workplaces employ only one or two teachers, workplace agreements are time consuming to achieve across the sector.
32. Ultimately, these centres have only two options for funding increased wages – Increased government funding or increasing parent fees. Given the fact that any increase in parental fees has a direct impact on accessibility/affordability of services it is important to note that there has been no substantive increase in government funding for some time.

## **Impacts of Amendments to the National Quality Framework**

33. IEUA commends the federal government for recognising that implementation of the full suite of National Quality Framework requirements requires a long-term commitment to sector reconfiguration, but is concerned that delays to implementation may reflect a waning interest in genuine reform.
34. In relation to staffing issues, for example, the former Labor government established the Early Years Quality Fund (EYQF), a \$300 million pool of money that selected centres could draw upon for employment-related costs. The current federal government however, has announced that, while they will honour contracts submitted to the Department of Education before 7<sup>th</sup> September 2013, there will be no further payments until a review of the



EYQF has been completed. This means child care workers around the country risk having their wages cut, or that they may not receive any wage increase they had already factored in.

35. It is widely recognized that the EYQF was not an ideal solution, because it would provide an average increase of just \$3 per hour to approximately 30% of childcare workers, and only until 2015, but it was hoped that this would help to build the case for more comprehensive wage increases in the future.
36. IEUA accepts the government's argument that an ongoing wage equity case being considered by Fair Work Australia is a more appropriate way of addressing wage inequity and hopes that Fair Work finds in favour of the claim.
37. The new government has also recently announced plans to work with state and territory governments to slow down implementation of staff to child ratios and pause requirements for higher staff qualifications. IEUA notes that the Assistant Minister for Education has indicated that she intends to meet with state and territory ministers to find practical ways to improve the implementation of the NQF reforms, without compromising the standard of care provided to children.
38. The provision of extra time to address some of the most pressing issues and problems in the early childhood sector is welcome. Hopefully, it will not compromise the overall goal of acknowledging and rewarding the professionalism of early childcare workers.

### **Concluding Comment**

39. As governments strive to increase participation in the workforce, the number of parents seeking access to childcare and/or early childhood education services is set to increase. Supporting and investing in initiatives to increase the quality, affordability and accessibility of early childhood education and care is, therefore, an investment in the future of the nation.
40. To obtain maximum return on that investment requires recognition that quality care depends upon quality staff. To attract and retain staff capable of maintaining the highest of professional standards, it is necessary to recognise and appropriately reward the professionalism of early childhood educators.

41. The current Fair Work Australia equal pay case is an important step in this process of recognition and, once an outcome is announced, federal and state governments must accept financial and social responsibility of ensuring that early childcare staff are adequately remunerated for their contribution to the sector.
42. It is also important that the government reviews policies and practices that limit integration of education and care programmes. More specifically, government should remove legislative and financial impediments that prevent providers from offering integrated education and care programmes that are accessible and affordable for all Australian parents.
43. The IEUA recommends that the Standing Committee review our recent submission to the Childcare and Early Childhood Learning Productivity Commission Inquiry.

**Chris Watt**  
**Federal Secretary**  
**Independent Education Union of Australia**  
**March 2014**