



**Early Childhood Australia**  
A voice for young children

**OUR  
VISION:  
EVERY  
YOUNG  
CHILD IS  
THRIVING  
AND  
LEARNING**

# **Review of Auditor-General's Report No 23 (2014-15)**

**Joint Committee on Public Accounts and Audit  
Early Childhood Australia**

## **About us:**

Early Childhood Australia (ECA) is the national peak early childhood advocacy organisation, acting in the interests of young children, their families and those in the early childhood sector. ECA advocates for quality in education and care as well as social justice and equity for children from birth to eight years. We have a federated structure with branches in each state and territory. In 2013, ECA celebrated 75 years of continuous service to the Australian community.



Ms Cardell  
Committee Secretary  
Joint Committee on Public Accounts and Audit  
PO Box 6021, Parliament House,  
Canberra ACT 2600

Dear Ms Cardell

ECA welcomes the findings and supports the recommendation of Australian National Audit Office (ANAO) Report No. 23, *Administration of Early Years Quality Fund*.

Achieving quality outcomes for children in early childhood education is highly dependent on the qualifications, stability and competency of educators. However, many are paid relatively poorly compared to those with similar qualifications in other sectors. Improving the remuneration of early childhood educators and teachers is recognised part of improving the quality of early childhood programs under the OECD's Starting Strong framework.

The Early Years Quality Fund (EYQF) was a well-intentioned policy designed to address the significant inadequacy of wages paid to early childhood educators. Despite this, the EYQF was always problematic because it did not deliver a uniform increase for all educators and teachers. In a bid to make a substantive difference to wage rates and establish a precedent wage at more appropriate levels, the Fund would have provided an average \$3 per hour increase to approximately 30 per cent of educators employed by eligible organisations.

In order to be eligible for the fund, organisations were required to have an Enterprise Agreement (EA) in place with their employees. ECA supports enterprise bargaining as a means to improve remuneration and productivity in the early childhood sector. However, using this criterion for the grants created of 'haves' and 'have-nots' which did not sit well with our sector that takes its ethics and commitment to social equity very seriously. The industrial capacity of many services (both employers and employees) is also low in the sector, which did not provide the conditions, in the short term, to facilitate a fair process based on industrial arrangements.

The Fund itself was the result of effective advocacy by educators that took part in the '*Big Steps*' campaign organised by United Voice. The \$300 million investment was a significant achievement by the campaign in a tough fiscal environment, but far less than the \$1.4 billion that was originally sought and required to deliver greater coverage across the sector. The long term solution would be a successful pay equity case through Fair Work Australia which is currently being considered. ECA supports this claim in principle, but we also understand that like the EYQF, this will be difficult to implement, and will require support of Government.

Early Childhood Australia supported the EYQF at the time as a first step toward professional wages for educators. We wrangled with the inequities and potential impacts of the Fund, which were substantial, but we continued to believe in the value of short term investment. There are a range of Government programs which have legitimately extended the coverage of grants over time through



future appropriations, curing inequities and improving program outcomes. However, due to the change in Government there was not enough time to embed any significant wage supplementation across the sector.

ECA welcomed the replacement Long Day Care Professional Development Programme (LDC PDP) to redirect funding from the Early Years Quality Fund (EYQF) to support professional development for the long day care sector. The LDC PDP made a considerable investment in workforce professionalisation which has supported sector to up-skill to meet the NQF. While the LDC PDP was a welcome development, only long day care services can access this funding. This is due to the constraints of the legislation originally establishing the EYQF introduced by the former Government.

Beyond the life of the LDC PDP, it will be important for Commonwealth and state and territory governments to work with the sector to create a workforce development strategy which helps to address longer term systemic challenges in the sector across all service types. ECA is concerned that there is no significant Commonwealth funding allocated to professional development for the early childhood sector beyond July 2017.

ECA also recommends a renewed focus on addressing the substantive policy issue; which is that early childhood educators and teachers continue to be grossly under-remunerated for their work and that Government has a role to play in supporting services to improve wages and thereby ensuring that access to quality early learning remains affordable for children and families.

Sincerely

Samantha Page  
CEO  
Early Childhood Australia